

Boeing Extends Final Contract Offer to Oak Ridge Employees

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Company's three-year offer includes:

50% pension increase to \$60 per month per year of service

15% average wage increase over the duration of the contract

Increased company match in the 401(k)-style Voluntary Investment Plan

Maintain current health care with no increase in employees' monthly contributions

\$13,200 additional pay over the duration of the contract for average employee

The Boeing Company [NYSE: BA] today presented the International Association of Machinists & Aerospace Workers Local 2709 a final contract offer that includes significant improvements in retirement benefits, provides annual wage increases and maintains a comprehensive and affordable health care program.

"This contract offer rewards employees and provides significant increases in pay and retirement," said Gary Bomhoff, Director of Boeing Operations in Tennessee. "Our goal for these negotiations has been to present a respectful contract offer that acknowledges and values our employees' contributions, and supports our business plan to remain competitive."

Key features of the contract offer to approximately 300 employees include:

Increased Retirement Benefits: Pension is improved by a 50 percent increase from the current level of \$40 per month for each year of service to \$60 per month for each year of service.

In addition, the company's match in its 401(k)-type savings plan would be increased to 50 percent of the first 8 percent of employee contributions, up from the current match of 50 percent of first 6 percent. This represents a 33 percent increase in the company match-or an average of \$400 per year for employees who fully participate in the program.

Annual Wage Increase: Boeing is offering a 5 percent wage increase this month, 3 percent increase in August 2007 and a 3 percent increase in August 2008. Overall, average wages would increase approximately 15 percent over the duration of the contract as a result of general-wage and step-rate increases.

Health Care Benefits: Maintain the current comprehensive package of medical, dental and vision care with no increase in employees' monthly contributions over the duration of the contract.

Boeing's contract offer concludes nearly two weeks of intensive negotiations. The IAM is expected to submit the proposed contract to its members for a vote on Aug. 5. The current contract expires at 12:01 a.m. on Aug 6.

Boeing Oak Ridge manufactures subassemblies for Boeing Commercial Airplanes, including flight deck consoles for 737, 747, 767, 777 and 787 jetliners. In addition, Oak Ridge produces subassemblies for Boeing's defense products and centrifuge components for the uranium-enrichment industry.

Further details of the contract proposal are available online at <http://www.boeing.com/special/negotiations/>.

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